

**Statement of Dale N. Bosworth  
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**Before the**

**Committee on Appropriations  
Interior and Related Agencies Subcommittee  
House of Representatives  
Forest Service  
Fiscal Year 2005 Budget  
March 3, 2004**

Mr. Chairman, Mr. Dicks, and members of the Subcommittee, thank you for the opportunity to discuss the President's Fiscal Year (FY) 2005 Budget. I also want to personally thank you, Mr. Chairman and Mr. Dicks for the support provided to the Forest Service this past year in supporting the President's Healthy Forest Restoration Act and for the strong support in protecting America's forests and rangelands from the threat of catastrophic wildfire. I have seen first hand the interest both of you has shown in supporting the improved health and sustainability of forests and rangelands across multiple public and private ownerships.

**Overview**

This President's Budget is for the Forest Service's centennial year. It supports the agency's mission of sustainable natural resource management. On February 1, 1905, President Theodore Roosevelt signed into law The Transfer Act, transferring the forest reserves from the Department of the Interior to the Department of Agriculture. On March 3, 1905, the Appropriations Act for the Department of Agriculture referenced the "Forest Service." On the day of the transfer, then-Secretary of Agriculture, James Wilson, wrote a letter of instruction to the first forester of the Forest Service, Gifford Pinchot. He directed that:

"In the administration of the forest reserves it must be clearly borne in mind that all land is to be devoted to its most productive use for the permanent good of the whole people, and not for the temporary benefit of individuals or companies. Where conflicting interests must be reconciled, the question will always be decided from the standpoint of the greatest good of the greatest number in the long run."

Now, 100 years later, that advice encompasses the multiple use management principle that guides the Forest Service's program of work. We are here today to ensure that our nation's forests and grasslands are treasured resources for the benefit and enjoyment of all people now and in the future. The decisions made in formulating the President's FY 2005 budget for the Forest Service are for the long-term good of the public and the resources that we are entrusted to manage for the American people.

I am here to talk with you today about the FY 2005 President's Budget request for the Forest Service as we enter a new century of service to America. In 1905, the Forest Service spent just

shy of \$1 million total for the young agency. As we propose a budget to begin the second century for the agency, the President's request is \$4.9 billion, \$68.4 million greater than the FY 2004 enacted budget, excluding emergency funding for repayment of fire transfers and funds for Southern California. The FY 2005 Budget provides funding to reduce the risk of wildland fire to communities and the environment by implementing the Healthy Forest Initiative and the Healthy Forests Restoration Act (HFRA) which President Bush signed into law this past December. In addition, increased funds are provided for research, fire suppression, Forest Legacy, Forest Products, and Minerals and Geology.

In my testimony today, I want to reflect on the challenges faced by the Forest Service in 2005, many of which are similar to those faced in 1905. I want to discuss the new opportunities offered by HFRA that will result in improved forest and rangeland management, healthier landscapes, and reduced risk of catastrophic wildfires. I want to talk about four major challenges facing the Forest Service, which I often refer to as the "four threats." I also want to highlight some other areas of performance accountability and legislative emphasis that comprise the President's FY 2005 budget.

As I talk with you today about the FY 2005 budget, I am reminded of the challenges that the agency, Congress, and the American public have worked through and worked out over the past 100 years. A brief review of the land management issues of 1905 shows that issues were as contentious back then as they are today. The challenges that we faced today are still contentious and complex. I believe, however, that we have an opportunity to change the debate. We want the American people to judge us not on what is taken off the land, but how we have improved its condition after conducting natural resource management activities.

### **Progress Towards Healthy Forests and Grasslands – Protecting Communities**

Today the cleanest water in the country comes from our national forests. More than 60 million Americans get their drinking water from watersheds that originate on national forests and grasslands. A century ago, competition for clean water in America was not the issue it is today and will be in the future. Protecting wilderness values wasn't on the radar screen 100 years ago. Today, we protect some 35 million acres of wilderness, about 18 percent of the land in our National Forest System. At the 1905 American Forest Congress, President Roosevelt spoke of vast forest destruction and an inevitable timber famine if the destruction continued. Large parts of the East and South were cutover, burned over, and farmed improperly. Today, tens of millions of acres of federal, state, and private forests in the East and South have been restored and the total number of forested acres is the same as 100 years ago. A century ago, many animal and plant species were severely depleted or on the brink of extinction. Today, many of these species have made remarkable comebacks after finding refuge on our nation's forests and grasslands. A century ago, the profession of forestry was in its infancy in the United States. Early foresters used a much younger set of scientific principles in managing natural resources. Today, after 90 years of Forest Service research, we have a much firmer and broader scientific foundation for sustaining forest ecosystems into the future.

## **Reducing the Threat of Catastrophic Wildfire**

Today we are putting research-based knowledge to use in restoring the nation's watersheds to a healthy condition. The President's Budget provides \$266 million, an increase of \$33 million over the funding appropriated in FY 2004, to reduce hazardous fuel. This will allow treatment of 1.8 million acres, an increase of 200,000 acres above the 2004 level. Over the past several decades, declining forest health conditions have led to an increasing incidence of uncharacteristically severe wildfire. Forests that are naturally adapted to frequent natural fires have gone many years without such fire, thus becoming overly dense and laden with fuels. These forests are at abnormally high risk to damage from wildfire as well as insects, diseases, or infestations of invasive plants. The President has acted to address this risk by establishing his Healthy Forest Initiative and providing a budget for hazardous fuel reduction that has more than tripled since FY 2000. In addition, the Healthy Forests Restoration Act passed by Congress last year will bring new administrative initiatives that will compliment expanded stewardship contracting authority that will further reduce hazardous fuels and restore watersheds.

Mr. Chairman, we need only look at how expenditures for wildland fire suppression have doubled in the last 10 years, to understand the need for this bold strategy. Just this past October we saw a graphic illustration of the serious forest and rangeland health problems we face. Although tragic in terms of loss of life and property, the severe wildfires in Southern California this past fall burned for the most part in mixed ownership chaparral areas and did not appreciably affect the forest health situation on forested lands in Southern California, particularly on the San Bernardino National Forest. In the forested areas, much of the remaining unburned acres are still choked with mostly small trees, many of which are dead and dying from drought and bark beetle infestations. Much of these forested lands are still at risk. Additional work remains on the national forests in Southern California as well as on other areas across the country that are experiencing serious forest health problems. Nor are these risks limited only to Federal lands. Mitigating the risks of catastrophic wildfires and treating forest health challenges across ownerships and jurisdictions requires cooperative action to be taken on the parts of governments, communities, private landowners and individual homeowners.

Mr. Chairman, I want to thank you and the other members of Congress for working last year to pass the Healthy Forests Restoration Act and expanded Stewardship Contracting authority. The President's Budget and new authorities provided by HFRA will aid Forest Service field managers work with local communities to treat more areas more quickly than in the past. The President's Budget also recognizes the need to integrate the fuels reduction program with other programs that support wildlife habitat improvements, watershed enhancements, vegetation management, and forest products. Restoring and rehabilitating our fire-adapted ecosystems may be the most important task that our agency undertakes. To provide optimal wildfire risk mitigation across the landscape, we are prioritizing our hazardous fuels reduction work to ensure the most beneficial use of funds. We are moving from treating symptoms towards treating the underlying problems, and treating hazardous fuel in locations on our nation's forests and rangelands where they will be most likely to influence large-scale fire behavior. We expect this approach to restore forest health and significantly reduce the potential for large, damaging fires over the long term, as well as the costs of fires that do occur—both in terms of the taxpayer and the environment.

We must also realize that it is not only the hazardous fuel reduction program that will improve overall forest and rangeland health. The integrated approach of multiple management activities in the agency's wildlife, grazing, vegetative management, and timber programs will improve the condition of the land, or in the Forest Service vernacular "improve condition class." This emphasis encompasses one of the "four threats" I refer to in managing this agency. We are committed to accomplishing the aggressive treatments planned in the President's Budget for FY 2005 using new authorities in the Healthy Forests Restoration Act that improve the condition class of the nation's watersheds and thus protect communities and resources for future generations – and our Research Station directors are committed to providing the Forest Service with the best science available.

I have discussed in detail wildland fire, the first of the "four threats." I will discuss elsewhere in my testimony the other three threats; invasive species, loss of open space, and unmanaged outdoor recreation. Before doing so, let me highlight other areas that will require our attention in our Centennial year.

### **Performance and Financial Management Accountability**

The Forest Service efforts to improve agency efficiency continue to focus on the implementation of the five initiatives in the President's Management Agenda (PMA). One key element of the PMA is improved financial performance. In the past few years we made an unprecedented effort to get our financial house in order. For a second year in a row, we received a clean audit opinion and made progress in reducing the number of material weaknesses from 6 in the FY 2002 audit to 4 in FY 2003. The remaining material weaknesses are; need to improve financial management and accountability; accrual methodology needs strengthening; controls over certain feeder systems needs improvement; and Forest Service needs to improve its general controls environment. We look forward, in the not too distant future, to also seeing the agency removed from the General Accounting Office "high risk list." I am proud of our financial management progress. To be candid, however, the effort made by Forest Service employees to keep the agency from falling into a type of financial receivership was so unprecedented that the agency cannot sustain this level of effort as we are currently organized. Our internal financial management and administrative support infrastructure is based on a 50-year-old model that is archaic. It does not operate within acceptable government-wide standards. It fails to use today's technology and business based models that can make our operations more efficient and our accountability the best it can be. With this in mind, the Forest Service will implement a new model for Forest Service financial management that involves significant centralization and consolidation of administrative support. We anticipate a minimum cost savings of \$30-40 million over time, although there may be some short-term costs incurred associated with setting up this model.

We are also reengineering human resource management processes. Our objectives are to maximize automation, streamline processes, provide for consistency, and reduce overhead costs. At the same time, we will ensure compatibility with OPM's Government-wide initiatives.

We will implement this overhaul without affecting the ability of field line officers to make decisions about natural resource management. We will continue to put considerable effort into improving the effectiveness of our financial management and administrative support program with the objectives of improving efficiency, reducing indirect costs, and dedicating funds to accomplish on-the-ground resource management objectives.

An important tool that will help the agency improve its operational and program accountability is contained in the President's Management Agenda. It is the Program Assessment Rating Tool (PART). For FY 2005, the Office of Management and Budget conducted reviews on the Forest Service's Forest Legacy Program, Land Acquisition Program, and reevaluated the Capital Improvement and Maintenance Program. This analysis recommended that the programs reviewed include the development of long-term measures that focus on outcomes, development of efficiency measures that assess the cost on a unit basis, and completion of program analysis to help focus program objectives and management.

The PART process for FY 2006 will assist the agency in addressing one of the "four threats" because the agency will utilize PART to evaluate invasive species activities. In addition to utilizing PART, the agency will use funds to address emerging threats to the nation's natural resources from the spread of unwanted pests and pathogens. The President's Budget proposes \$10 million for an Emerging Pest and Pathogen fund to be used for quick response. We will integrate our National Forest System, State and Private Forestry, and Forest and Rangeland Research programs to ensure we are focused on this invasive species threat. I intend to emphasize line officer performance accountability for halting the spread of invasives as an important element of the performance appraisal process. The PART program will be a tool to ensure the effort is integrated, outcome-based, and properly focused.

## **Research**

I noted earlier that I felt the agency's Forest and Rangeland Research program was a foundation of improved ecosystem health. I am pleased to support an FY 2005 President's Budget request that emphasizes a renewed focus on Research as a foundation for establishing management practices that are applied to the national forests and grasslands as well as state, tribal, local, and international lands. The total Research and Development budget for FY 2005 is up \$14.3 million.

The President's FY 2005 Budget recognizes that the demand for solutions based on research is exceptionally high, and the Forest Service should organize to optimize the delivery of information to provide solutions in the timeliest, accurate manner. To enhance the linkage between forest researchers and on-the-ground resource managers in both the public and private sectors, it is critical that the most efficient development and delivery of mission-critical information be employed. Enhancing the linkage between the information user and the information generator helps ensure this efficiency. The President's Budget provides additional funding for optimizing the transfer and implementation of research findings.

Within R&D, \$7.2 million is focused on research that will protect water quality for human use and aquatic habitat, and provide improved tools for land managers to restore native vegetation on

sites disturbed by fire and mechanical means. This program increase will also afford the agency the opportunity to continue its research focus on controls for newly arrived insects including the hemlock wooly adelgid, the Asian long-horned beetle, invasive bark beetles, and the emerald ash borer. In addition to this significant program increase, the State and Private Forestry technology applications program will be integrated with the Research and Development mission area. We expect an improved technology applications program that focuses on a thematic basis, including applications in hazardous fuel utilization, fire science applications, invasive species, watershed, and other mission critical areas.

### **Forest Legacy Program**

The third of the four threats that I have emphasized involves the loss of open space. The President's Budget fully funds the Land and Water Conservation program, including a \$35.8 million increase in the Forest Legacy Program. The program has seen great success in addressing the threat of reduced open space through the use of conservation easements in partnership with private landowners to maintain viable and healthy forested lands. The PART review of the program by OMB found that management of the Forest Legacy Program is valuable and generally strong. We will work to improve performance measures that track the percentage of priority forest lands at risk of conversion to non-forest uses that are currently in a contiguous forest condition.

### **Recreation**

The last of the four threats to the nation's resources involves the challenges posed by unmanaged recreation. To use an old phrase, in many areas of the national forests we are "loving our public lands to death." The FY 2005 budget reflects an increase of \$2.3 million in the Recreation budget. With this in mind, I intend to have the agency focus on managing the program with improved efficiency and greater reliance on partnerships. Moreover, our work in the area of hazardous fuel reduction and invasive species provides a number of benefits that protect and enhance the quality of recreation on National Forest System lands.

The Forest Service is a leading provider of outdoor recreation opportunities in the nation. People visited national forests and grasslands over 211 million times in FY 2002. These millions of visitors expect cleared trails, accessible facilities, and safe experiences. They also cause significant impacts on the land and on our facilities, as they hike, camp, kayak, ski, hunt, or fish on our federal lands. Since 1997, we have relied on fees from the Recreational Fee Demonstration Program to provide safe, enjoyable, and memorable experiences for these millions of visitors. We know that without those fees, we would be hard pressed to keep some campgrounds open, toilets cleaned, and trails safely maintained. The President's FY 2005 legislative proposals include permanent authority for the Recreational Fee Demonstration Program. Visitor use continues to increase, especially near urban areas and many of the very special places we manage on our national forests and grasslands. As more and more people enjoy these places, their presence comes with the price of increased needs for maintaining facilities, equipment, and the land itself. Through the Fee Demo Program, the recreating public has told us how important increased safety and security is to them, an elevated service made possible through Fee Demo funds.

This is the 40<sup>th</sup> anniversary of the signing of the Wilderness Act, a bold legislative action that secured the enduring benefits of wilderness for present and future generations. The Forest Service manages 32 percent of the National Wilderness Preservation System and was the first Federal agency to manage a designated wilderness area. The National Survey on Recreation and the Environment finds that Americans who know about wilderness tremendously value it.

Our backlog in deferred maintenance for our facilities continues to be a challenge. This backlog includes facilities for providing recreation opportunities to the public, as well as our administrative sites where employees work and provide services to the public. The budget reflects improvements made by the Forest Service in implementing recommendations contained in a PART review of the Capital Improvement and Maintenance program, and includes \$10 million to address deferred maintenance.

In addition, there are important legislative proposals to be presented by the Administration that will help us leverage limited discretionary appropriations to accomplish key objectives of the recreation and other administrative programs. The Administration will submit legislation proposing a Facilities Acquisition and Enhancement Fund. This authority will provide a useful tool for reducing our administrative site backlog through an authorization to dispose of lands and improvements in excess of our needs, and use the proceeds for infrastructure improvements.

The Administration will propose expanded and consolidated partnership authorities to make it easier and more efficient for third parties to get involved in the agency's recreation program as well as other management programs and activities. This legislation will streamline the ability of the Forest Service to collaborate with non-Federal partners in achieving natural resource management goals. Forest Service directives cite over 30 different laws relating to partnerships and 14 different types of agreement instruments document partnership relationships. Navigating this complex patchwork of authorities and agreements has hindered the agency's ability to work efficiently and effectively with nonprofit and community partners. We look forward to working with Congress in making it more efficient to work with partners in managing the national forests.

## **Wildland Fire Suppression**

As the Forest Service focuses on a new century of service to Americans, its emphasis will be centered on management activities that address the four threats and the goals of the Healthy Forests Initiative. Our success over the long term will reduce the risk to communities and natural resources from catastrophic wildland fire. The Forest Service, in partnership with the Department of the Interior and state and local agencies, is committed to protecting communities and resources with the best and most efficient fire fighting infrastructure possible.

The total wildland fire budget for FY 2005 is \$1.4 billion including an \$88.3 million increase over the FY 2004 enacted level for fire suppression. This increase reflects the ten-year average cost for fire suppression. I want to address several important wildfire suppression issues.

Wildfire suppression activities are dangerous. Unfortunately, last year we lost five lives in fires related to the Forest Service. The agency continually evaluates the fire suppression program for

safety, and makes improvements to reduce the risk to firefighters. After the Thirtymile fire in 2001, the Forest Service implemented a number of significant changes to improve safety measures for firefighters and the public. Changes were developed in cooperation with OSHA, the Department of the Interior, and other interagency partners through the National Wildfire Coordinating Group. We have clarified and added emphasis on fatigue awareness and work/rest guidelines; added driving guidelines for transportation safety; and improved risk assessment and mitigation procedures. We continue to scrutinize our firefighting program to make additional safety improvements, including an examination of relation of completed fire management plans and the deployment of incident personnel in locations where resource values are minimal. Areas we are particularly concentrating on are human factors such as experience and leadership. While we will never remove all the risk from firefighting, we will constantly work to reduce the risks. We must never compromise our emphasis on components of the agency's budget that might affect the safety of our workforce.

This past year we have aggressively focused on reducing the costs of firefighting efforts. The President's budget proposes new incentives for reducing wildfire suppression costs including the allocation of suppression funds to Forest Service regions, and the authority to retain unexpended suppression funds for use in forest restoration activities consistent with the goals of the Healthy Forest Initiatives and HFRA. It also includes the establishment of clearer rules concerning the use of suppression resources and incentives for rapid demobilization and better use of local non-federal resources. I am proud of the fact that in FY 2003 we kept more than 98 percent of all unwanted fires that started from becoming large fires in 2003. While large fires represent only 2 percent of the total number of fires, over the past few decades they have accounted for more than 87 percent of the total costs for fire suppression. Many large fires are complex and more expensive to suppress today than 20 years ago, and they can be more dangerous. The costs of containing fires in the wildland urban interface will likely continue to be high as we struggle to keep fire from destroying people's homes and livelihoods. At the same time, the President's FY 2005 Budget reflects the full implementation of fire management plans completed for all National Forest Systems lands that will allow for cost savings associated with a full range of suppression actions, including an increased use of wildland fire use fires, as appropriate. It also contains new performance measures that will provide baselines on which the total cost of fire suppression can be assessed.

Over the past year, we have completed the Consolidated Large Fire Cost Report 2003, in which we have identified areas to contain costs. Clearly, reducing the number and improving the way we manage large fires will lead to lower costs. I have issued policy direction that states, "Fires are suppressed at minimum cost, considering firefighter and public safety, benefits, and values to be protected, consistent with resource objectives." We will take the lessons learned from the past year and continue efforts to reduce the costs of large fires. We will also look at better ways to use fire in its natural role and will work together with our Federal, Tribal, State, and local partners to accomplish these goals.

### **Conclusion: Entering A New Century of Service**

Our agency's 100<sup>th</sup> anniversary is a time for us as an agency to reflect on our history, the contributions we have made as stewards of our nation's natural resources, and lessons we have

learned to provide world-class public service into the future. We see FY 2005 as a time to broaden public understanding and appreciation of our nation's forests and grasslands, and a time to broaden partnerships worldwide to collectively sustain our natural resources. In this centennial year we will sponsor several events and activities that help focus this attention.

Mr. Chairman, let me say again how honored I am to be here as Chief presenting the 101<sup>st</sup> President's Budget for the Forest Service. We have 100 years of amazing accomplishments. We also have 100 years of promises to keep, 100 years of laws and regulations to uphold. For 100 years, Americans have both applauded us and picketed our doors. The country has seen sweeping changes over those 100 years, and many innovative tools to help us keep up with those changes.

As we enter our second century of service, the continued prosperity of our country is in large part dependent on sustaining the health, diversity, and productivity of our Nation's forests and grasslands. This is the Forest Service's mission today. And much as Secretary Wilson directed the agency in 1905, our successes are only as great as our ability to act under a businesslike structure, promptly, effectively, and with common sense. I am proud of the many accomplishments our talented and dedicated employees have given to this country and the mission they face in entering this new century of service.

We still have much work to do and many challenges to undertake. Restoring the nation's forests and grasslands in balance with society's goals will take time. We have new tools to help meet those challenges in the Healthy Forests Restoration Act and expanded Stewardship Contracting authority, in continued research to support these complex challenges, and through the work we continue to do with local communities and partners – new ways of solving land management problems in more effective and inclusive ways.

I enlist your continued support and look forward to working with you toward that end. I will be happy to answer any questions.